

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TENNESSEE
AT KNOXVILLE**

UNITED STATES OF AMERICA,

Plaintiff,

v.

**Contents up to \$13,595.48 from BitPay
Account Numbers 4179470003708205 and
4179470004143808 in the name of Scott Reed,**

Black Apple iPhone,

**HTC, Model: OP6B120 Rose colored cell
phone with black SUPCASE,**

Gold Apple, Model: A1522 iPhone,

**Gold Samsung, Model: SM-T713 Tablet,
SN: R25J1046Y2H,**

**Black Samsung, Model: SM-T713 Tablet,
SN: R25JC0QCPHK,**

**Asus, Model: GL502V Laptop, Black with
orange markings, SN: H3N0CV01497309A,**

**Black Acer, Model: VM6630G Computer
Tower, SN: DZVHGAA001343051409600,**

**Black Lenovo, Model: 0030US Computer
Tower, SN: 1S30A10030USMJ00L4CY,**

**Asus, Model Q524U Laptop Power cord,
SN: H2N0WU163500098,**

**Black HP, Model: AR5B125 Laptop, SN:
5CG3263JH8,**

Case No. 3:23-CV-147

Judges Greer / Poplin

Black Dell, Model Latitude 3440 Laptop,)
SN: BTQ9K52,)
Black Seagate, Model: SRD00F1 portable)
drive, SN: NA9BQ3QT,)
)
Black Seagate, Model: SRD00F1 portable)
drive, SN: NA792A0Z, and)
)
Seagate Computer Hard Drive, SN:)
Z1DCLZ15,)
)
Defendants.)

UNITED STATES' RESPONSE TO ORDER TO SHOW CAUSE

NOW COMES Plaintiff, the United States, by and through Francis M. Hamilton III, United States Attorney for the Eastern District of Tennessee, and Daniel P. Nugent, Assistant United States Attorney, and for its response to the Court's Order [Doc. 10] to show cause for failure to prosecute states as follows:

1. The United States has acted diligently in its prosecution of Defendants *in rem* and intends to seek a default judgment. The deadline by which parties may file a verified claim to Defendants *in rem* in response to the government internet publication of notice of the Forfeiture was July 10, 2023.

2. The United States filed a Complaint for Forfeiture on or about April 27, 2023 [Doc. 1] against Defendants *in rem*, and a Warrant of Arrest *In Rem* [Doc. 3] was issued by the Clerk of the Court on April 28, 2023.

3. The United States is required to provide notice of its Complaint for Forfeiture both by publication, Fed. R. Civ. P. Supp. R. G(4)(a), and by direct notice to known potential

claimants, Fed. R. Civ. P. Supp. R. G(4)(b). The United States may satisfy publication of notice through a posting on an official internet government forfeiture site for at least 30 consecutive days. *See* Fed. R. Civ. P. G(4)(a)(iv)(C).

4. Parties asserting an interest in Defendants *in rem* in response to notice published on an official internet government forfeiture site must file a verified claim “no later than 60 days after the first day of publication on an official internet government forfeiture site.” Fed. R. Civ. P. Supp. R. G(5)(a)(ii)(B).

5. Parties receiving direct notice must file a claim within thirty-five (35) days after the date the notice was sent. *See* Fed. R. Civ. P. Supp. R. G(4)(b)(ii)(B) and Supp. R. G(5)(ii)(A).

6. The United States gave all known potential claimants direct notice and served each with the Complaint for Forfeiture and Notice of Forfeiture on June 5, 2023. (Notice of Filing Return of Service, Doc. 9).

7. Scott Reed’s daughter, and his sister are the only known living relatives in which direct notice was sent and had until approximately July 10, 2023, in which to file a claim.

8. On June 21, 2023, Scott Reed’s daughter contacted the U. S. Attorney’s office by phone and discussed potentially submitting a claim.

9. Acknowledging that courts often allow some leeway for pro se claimants we intentionally delayed seeking a default judgment in this case and expected Scott Reed’s daughter to submit an untimely a pro se claim.

10. We spoke with Scott Reed’s daughter again last week and expected her to file a claim this week.

11. As of the filing of this response, no claims have been received and as the Court accurately appreciates, the time in which to do so has expired.

12. The United States has acted with appropriate haste in pursuing forfeiture of Defendants *in rem* while also ensuring that any parties with interest in the property are given appropriate time to file a claim. The United States has prepared documents requesting a default judgment in the instant case and expects to file a Request for Entry of Default Judgment no later than September 5, 2023. Upon entry of the default, the United States will immediately file its Motion for Default Judgment and Entry of Final Order of Forfeiture.

CONCLUSION

For the forgoing reasons, the United States respectfully requests that the civil case not be dismissed, and that the Government be permitted to dispose of the defendant properties by default judgment proceedings.

Respectfully submitted,

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United States Attorney

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